



## [The Bright Side Episode 11: Small Business & Tech](#)

Produced by  
CEDAM

Underwritten by  
Michigan Rural Council  
Connect Michigan  
Microenterprise Network of Michigan

**Brian Picarazzi** Welcome to The Bright Side, the show where we shed light on the people, places and stories that make Michigan great. My name is Brian Picarazzi, with the United States Small Business Administration. The SBA helps new companies start up, or existing companies grow through the three C's of contracting, counseling and access to capital.

In today's episode we're going to take you to every corner of Michigan and we're going to show you how broadband and internet technology are helping companies thrive.

Today we're in Grand Rapids at the Michigan Small Business and Technology Development Center's state headquarters. The MI-SBTDC provides business education, counseling, information based planning and technology commercialization to new and existing businesses throughout Michigan's 83 counties.

Before we move on to our next company, let's take a look at how broadband affects Michigan.

---Small Business & Broadband---

**Olivia Courant** Let's focus on how broadband impacts small business in Michigan. We'll define a small business as a business with less than 20 employees. According to that definition, 86% of the businesses in Michigan are small businesses. And those small businesses provide 30% of the jobs in our state.

To all of these businesses, a broadband internet connection means increased revenue, decreased operation expenses, and information sharing through social media, telecommuting, video conferencing, website development and e-commerce, automated accounting and inventory, file backup, and point of sale applications.

Even with the benefits, only 67% of Michigan small businesses have adopted broadband. In comparison, 79% of businesses with more than 20 employees have it.

We could compare that to something specific, say, adopting a website. In this case, only 49% of small businesses have one (compared to 74% of medium to large businesses).

So why does it matter that all of these businesses are leaving technology on the table? Take a look at median annual revenue for rural small businesses. Without broadband, it's \$70,000 a year. With broadband, it's \$310,000. Add a website to that and it's \$430,000. The difference is massive. In fact, on average, small businesses earn 34% of their revenue from online sales.

The question then becomes why. Why not adopt broadband when it means more revenue, increase efficiency, lower costs and happier customers? The answer is pretty surprising. Awareness of broadband's benefits is the number one barrier to technology adoption.

So let's find out how Michigan businesses are using broadband internet and related technologies.

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**Brian Picarazzi** We'll start our journey in Marquette at Getz's, a clothing retail store that's been around since the 1880's, making it one of Michigan's oldest businesses. We'll hear the story of how Getz's went from a horse and cart to a permanent location and an online store.

---Getz's Clothiers---

**John Spigarelli** Throughout the nation, Getz's is known for really high quality – particularly work clothing – but also active lifestyle apparel. So we are one of the largest Carhartt retailers in the nation, probably one of the top five under one roof in the nation.

The business originally was founded in about 1886/1887 and the current owner's grandfather started a workwear company where he had a horse and cart and he sold cold weather products, bibs, you know, whatever these guys needed in the timber and mining industries so they could do their job, and he sold it off the back of a cart. And that's how this business began.

The internet has created this tremendous demand for these products and that really boosted us up. If we didn't have the online sales, you'd probably see about half of what you see in here today.

Now let's go up to the warehouse, because that's the real – that's where things really get crazy.

Basically this is room one of our two large warehouses rooms. And what we have is... this is all because of the internet. I mean, everything that's up here exists because of what we do retailing products on the internet.

We have our fast-pack station where people that order one or two items, the orders get packed here.

This is packing and picking station A. Essentially all the orders that are a little more complicated get packed and picked right here.

Every return is hand processed by us. A lot of companies outsource their returning process, and we don't.

The biggest thing for us is customer care. This business was founded on us taking care of people properly and communicating with people properly, and that's gotten easier! That's the best part about it is the internet's made it so much easier to communicate with people.

The last two or three years we've been using a live help system, where people can chat with us back and forth directly from our website, and it's limited our phone call volume so significantly. Our call volume is probably down 80% from where it was four or five years ago. And just people have that comfort level, and there's accessibility for these people to be able to communicate with us without having to sit on the phone.

Even time of day is important. We can help customers at 11 o'clock at night from our homes with this system. We don't have to have somebody physically sitting in this building with a phone up to their ear, and that's been really, really helpful for us.

This is our internal inventory system that we – our development team built. And up until about four years ago, we had zero inventory control. We used to guess at what to order. We had... we had no sales records. We would go back and say, “Well, I think we need 24 of that jacket next year in brown, size large, but we might need 32, I don’t know.”

And our biggest issue was we wanted to manage inventory real time between what was in the physical store and what was being shown on the website. So through e-commerce, we needed moment-by-moment inventory counts so we were as accurate as possible. And this system bridges that gap, so when something sells in the store, it immediately is removed from inventory on the website. So it’s pretty hard to oversell a product now, which is great.

95% of our technology is not in this building. It’s hosted in Texas. So having that access to be able to send that information back real time back and forth, twenty four hours a day, seven days a week to servers in Texas, and being able to mine that information has been tremendous for this business. We’re probably shipping three to four hundred percent more today than we shipped four or five years ago. We’re twenty-five full-time employees strong. There’s another twenty-five part-time employees running this business on a daily basis.

It’s pretty incredible: from one guy with a horse and a cart to selling products to California, to New York, to Maine, to Texas, to Nebraska, all from the same location in Marquette, Michigan. That’s a pretty incredible feat. It’s amazing where technology has gotten us to today.

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Getz’s Clothiers  
getzs.com

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**Brian Picarazzi** The SBTDC is hosted in Grand Rapids at Grand Valley State University. We go from here to the Michigan Farm Market in Ellsworth, where a local family used crowd funding to turn a hobby into a thriving business.

---Mi Farm Market---

**Scotty Bruce** First thing people say is, “Where’s Ellsworth?” I say we’re about ten miles south of Charlevoix and seven miles off the lake.

I was telling people, “Oh, we’re kind of in the middle of nowhere.”

And they were like, “It kind of sounds like you’re in the middle of everywhere.”

So that's kind of what we started telling people, is we are no longer in the middle of nowhere, we are in the middle of everywhere when you think about it, because we're in a centralized location to all of our local farmers, food producers, growers, crafters, artisans, some of the most talented people in the state. And that is how we're able to ship Michigan made products all over the world.

We're working with about close to 100 local Michigan food producers, crafters, artisans, and artists.

This is where we do all of our shipping. The majority of our stuff is actually done online. We don't like to get too overhead intensive, so with a simple laptop and laser printer and some other items, we print out the gift cards, the messages, and the labels. We bring them over here. We fill the crates. You can see we're doing some crates for Pure Michigan this year.

We started out primarily as an online business in our two-car garage and then we started to notice that people were really excited about what we were doing. So we thought, okay, well we might actually have something here. Do we want to actually make something of it, or do we want this to continue to be a hobby? So we sat down as a family and decided that we were going to actually make a good go at this.

Still being kind of a new concept, we didn't qualify for traditional lending, so what we were able to do is we ended up building a crowdfunding campaign on our website. You know, there were sites like Kickstarter. There's a couple others that I can't quite think of off the top of my head, but they allow you to gather micro contributions in the form of anywhere from \$1 to up to \$500 to \$1,000 to fund your venture in exchange for a reward.

What we thought we could do is we could not only presell gift crates, food club memberships, but we could also do store credit. So people could purchase, say, \$300 of store credit. They could get \$375 worth of product.

Searching around on all of these crowdfunding sites though, they all charge you fees and they also... if you don't raise all of the money that you wanted to raise, you don't get any of it. It just goes back to the people who contributed. And we knew that any money that we use, we could put to good use. We needed to get paint for the building, we needed to get stuff... we needed to get new boxes, we needed to get new packaging material.

So what we did is I ended up building into our website a crowdfunding platform where people could come and make micro contributions through [mifarmmarket.com](http://mifarmmarket.com). We published our own video. It was just a video of me – it was like a 2 minute video of me sitting in the garage with a background, or a backdrop of local preserves just telling people what we were trying to do. And we ended up raising \$6,000 from the local community to actually get into our space.

On top of that, we had a lot of extra help from community members. The sign out front was actually donated to us. We had people come down and help us paint the building. We had people bringing scaffolding down.

My mom I think said it best when she said, "It takes a village to raise a child. Well, really, this village helped raise our business and get it to where it is today."

We've got our retail storefront. We've got our order fulfillment center in back along with our crate shop where we make all of our wood crates. And now we have a satellite location in Traverse City. We've partnered with a Traverse City business called Sweet Asylum to open up Michigan Farm Market TC.

Again, it's just four of us doing this, but we're allowed to do a lot of different things on a larger scale than we would be able to do if we didn't have technology to automate some of these processes.

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Mi Farm Market  
mifarmmarket.com

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**Brian Picarazzi** At the Yarn Garden in Charlotte, point of sale software makes it easier to track inventory, start a customer rewards program, or keep the most popular products in stock.

---Yarn Garden---

**Lindsay Potter** This is the Yarn Garden. We sell fine yarns for hand knitting and crocheting, and we do classes and really impart our knowledge to other people and hope to carry on the craft.

This is my classroom area. And up here, this cabinet here, is where I keep all of the sock yarn. Sock yarn is really popular right now. A lot of people like to make socks. They're really great to wear and very functional.

This yarn here, this is some yarn from sheep here in Charlotte, which is kind of fun to really support the local economy.

When I first took over here at the Yarn Garden, it was 2007. The previous owner, Kim, did have a website presence, but it wasn't updated regularly. So we implemented a newsletter. I use Constant Contact as my provider. I send it out every Friday and if it's not out by 5:00 on Friday afternoon I actually get phone calls, like, "Where's my newsletter? I want to know what's coming in, what's new."

I invested in a point of sale software and that enabled me to have a bar code on each unique product, and that way I can know with just a few clicks of some keys how

much of something I have in stock. So if a customer calls me and says, "Hey, I need this yarn. I'm almost done with this project but I ran out of it. Do you still have it in stock?" I can look it up real quick on the computer and tell them yes, or no I don't have it in stock right now but I'd be happy to order it for you. So that does make it so much easier.

There is a little bit more involved as far as receiving products and making purchase orders, things that maybe I should have been doing by hand before that I wasn't. But it has made it more accurate for me to order things. So I think it's made it so that I can keep the things in stock that sell the best so that I make more money that way. So maybe it doesn't save me necessarily time, but I think it helps me make more money because I keep in stock what sells.

I have been able to hire two employees since I implemented the point of sale system, which frees me up a little bit to teach the classes and do more of the owner-type duties.

So I have my scanner here. We just scan the bar code and it'll pop up the item. And I can put in whatever quantity it is the customer is interested in having. And then I just ring up each item separately. If for some reason the scanner doesn't work, I can type in any number of things to help me bring up that item.

The total today is \$42.50 for this purchase, so if the customer is offering me cash, I click on the cash button. I type in whatever amount they give me. So if I get a fifty dollar bill I can type in the fifty, click save. It'll tell me how much change to give them, and then I can pop that up. Automatically opens up my cash drawer, automatically prints my receipt once I click that.

So that's a sale. A typical sale for the Yarn Garden.

The great thing about this point of sale software is it has a built in customer rewards program. All we have to do is make sure at the start of each sale we put our customer's name into the database if it's not already there, and then the computer will track that customer's purchases. I have customers that every time they get a receipt they check it and see, and it'll tell them how close they are to their reward. You know, if they've got \$15 to go before they get their next 20% off, they'll go and find something for \$15 to make that purchase so that they'll get the 20% off on the next one.

So it's been really fantastic for me, and a goal of mine in the next couple years is to have an online shopping cart to be able to sell to a national audience instead of just a regional or local.

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**Brian Picarazzi** Klever Innovations uses online marketing to create a brand that's recognized around the world, all while keeping jobs here in West Michigan.

---Klever Innovations---

**Orville Crain** Well, the two partners and I got together in the basement of my home in 2005 and we started talking about this idea which was Jeff Kempker's, one of the partners. When there's a serious injury in the marketplace, in the workplace, somebody is cut with an open blade cutter, I can tell you the process is the manager, the person in charge, will say to the safety person: "That's it. We can't have these open blades. You find something else." And that person immediately goes to his computer and types in "safe box cutters" and he'll find us. Every time he'll find us on the internet. We're all over the internet.

And so when that safety person finds us, we're the next call that he makes.

As the sales and marketing end of the company here, I can tell you that it's internet driven. Certainly.

**Mat Jacobs** So basically this is an injection molding facility. We make plastic component parts. Our Klever Kutter department where we make all of our Klever products is with these two machines primarily right here. Plastic is injected into the mold. After it's cooled it's going to come back around, where the operator will pull the parts off.

While the heads we're making eight parts at a time, the handles we'll make four at a time. So that's the shop. Extremely trained operators that care about their jobs, that care about keeping jobs in America.

We've been manufacturing here for... this product has been manufacturing here for seven years since we've started up.

For us the internet became very important as we decided how best to brand our product. There are other box cutters in the marketplace. They don't do what ours do, but it is a fairly crowded field.

**Orville Crain** Well, we have safety videos and videos of use, and pictures of every one, every type, every color and style that we have.

The internet wasn't a very big presence back in 2005 when we got started. It was just really coming into its own, and in terms of businesses like ours, we... it took us a while. It took us several years to really get involved. We bootstrapped this company. We started it with basically no money and we used the money that we made to take the next step.

So in the very beginning, I have a son named Matthew Crain, and he did a website for us with a little bit of knowledge and \$200, and that was our first website. And we had that website for a couple years before we finally had enough money to get a professional to do us a professional website that we have today.

We grew with the internet, and as we found out that it was working for us, then we'd add more pieces. Then we'd begin to add video. Then we'd begin to turn up the quality of the website until we reached the point where we are today.

We just exceeded \$3.5 million in sales.

**Mat Jacobs** All of our cutters are manufactured right here in West Michigan. That was an aim of ours from day one, is to keep as many jobs in West Michigan and we've been successful in doing that.

**Orville Crain** We can make it, build it, ship it, and work it with an internet-based operation right here from West Michigan in a small town and ship and sell all over the United States and the world.

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Klever Innovations  
kleverinnovations.net

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**Brian Picarazzi** Next, we go to Commerce Township, where Regency Court Reporting uses video conferencing technology and cloud sharing to save thousands of dollars.

---Regency Court Reporting---

**Edna Zaid** We're a transcription, video conferencing, court reporting firm. I started Regency Court Reporting in 1987 in my home. My husband and I were using tractor feed printers with carbons, and we would be up all night tearing apart four-apart carbon copy transcripts.

We used to go and pick up boxes and we had a courier that would pick up two brown boxes of tapes every day. We went to DVDs. We went to CDs. Now we're down to no media. We use digital technology, which is incredible because we used to have to store all of our information on discs and CDs and VCR tapes, and we used to save them for 20 years. We needed warehouses and rooms to store all these tapes, and now there's the cloud.

Everything we type we can save in internet cyberspace, so we don't have the expense anymore of storage. We don't have the expense of purchasing CDs or DVDs or VCR tapes. We don't even have the expense of the equipment to transcribe those

because we even use the internet for the transcription software that we hook up a foot pedal to our computer, a headset, and the girls are able to type.

Our video conferencing has enabled us to really get involved internationally and nationally because it's helping a lot of the clients save costs in travel and time.

And here's a sample of the four screens I was telling you about earlier. There's Israel, there's Australia, and that might be St. Louis, and we're here. And you can actually have a party in each city talking to you at one time. Imagine the cost saving for the attorneys or whoever is travelling, to be able to have all four parties in four different cities speak from where they're at and not have you travel to the four different locations. It's been phenomenal for our clients. Thousands and thousands of dollars are being saved.

[to a transcription agency in Ann Arbor] We're just telling them how a deposition works, where the client doesn't have to travel out of town and you can do a face-to-face hearing. Have you been doing a lot of video conferencing?

**Ann Arbor** I think we've probably more than tripled our business in the last five years since we put this in.

**Edna Zaid** This is our state network computer. We have access to the entire State of Michigan's network for every trial, every hearing that is held in the state. Everything is done through cyberspace. Everything is done through the internet.

So we started with myself being the only employee to now we vacillate between twenty, thirty, forty, depending on the amount of business we have. A lot of our people are independent contractors we call as needed.

Technology has allowed us to grow and expand at less cost than we did before, with a greater degree of efficiency.

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Regency Court Reporting  
regencycourtreporting.com

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**Brian Picarazzi** With technology available today, it makes it easy to decrease costs, increase flexibility and reach more people. We're headed to St. Clair on Michigan's east coast, where the city created an online historic tour using permanent QR codes.

--St. Clair Downtown Development Authority---

**Dan Lockwood** You are in St. Clair, Michigan. St. Clair happens to be the fifth English speaking settlement in Michigan. In 2014 we'll be celebrating our 250<sup>th</sup> anniversary of the building of fort St. Clair. So one of the things we wanted to do, we

wanted to do a streetscaping project and we also wanted to come back and show a little of our history.

When we looked at what other people have done, most people are familiar with historical markers. A lot of times you see the cast metal ones, and you have to get those from the State Historical Society, and they're about \$2,500, \$2,000 a piece. Doing 19 of those wouldn't – put it this way, we wouldn't have done 19 of them.

We wouldn't have done the project this way without the QR code.

What this pedestal does right here is we have a mosaic that shows the boat called the Kalkaska, which was built in the 1880's, and then right below it is a QR code. And if you have an electronic device that reads QR codes, this will take you to a website that has a number of pictures of the Kalkaska, plus it tells you the history of the Kalkaska.

And that's what really the website does for us, is one, we can always go back and correct it, two we can add information, and three, you have the whole... all the tools you have with a website. We can add video. Whatever you want to add to the site. So now all of a sudden you have an interactive tour of your site. It's really a fantastic opportunity.

We really find it very interesting is the response has been very interesting from the community, because a lot of people have said they've just never seen it done this way. We've created just a lot of interest in the history of St. Clair as a matter of fact. Plus, the interest of Simon Langell and his boat building period.

But as more and more people see how a QR code can be used, such as this, I mean from a downtown – every downtown, every community has a story to tell. This is a very inexpensive but yet it's a very flexible and it's a wonderful way to tell your community's story. And you think about that story, you think about all the things that are available. You know, it doesn't take a lot of equipment to do it. You need to register your website. You need to put a couple pages on there. And then you tell your story, and the nice thing about it is you can change it! And it doesn't cost a lot of money to make the changes.

We started off having Coughlin Jewelers, our jeweler in town, to laser cut these on metal. And the problem you have with using metal is a lot of the metals tarnish, and you have to realize the QR codes work on the difference between light and dark. So if you start getting some tarnishing, you lose that contrast between light and dark.

We ended up using tiles and having the QR codes printed on the tiles. The tiles are going to last longer than the technology probably will. But I only found out about QR codes about two years ago. So it was just a wonderful opportunity to use new technology to tell an old story.

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City of St. Clair  
stclairontheriver.com  
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**Brian Picarazzi** That concludes our tour for today. I hope you were able to see the many ways that broadband technology influences the way we do business in the state. If you want more information about small business or broadband technology, here are a few of our resources.

The small business technology taskforce program encourages adoption of broadband and related technology by rural small businesses in Michigan.  
([rural.cedam.info/technology](http://rural.cedam.info/technology))

For small business and microbusiness assistance, visit the Microenterprise Network of Michigan website at [michiganmicro.org](http://michiganmicro.org).

Connect Michigan, a nonprofit partnership with the Michigan Public Service Commission, facilitates the expansion of broadband and technology access adoption and use through the state. Broadband maps, research, and community resources are available at [connectmi.org](http://connectmi.org).

For more information on how the Small Business Administration or MI-SBTDC can help your businesses, please visit [sba.gov](http://sba.gov) or [misbtdc.org](http://misbtdc.org).

Thanks for joining me, Brian Picarazzi, on today's episode of The Bright Side. If you'd like more information about today's episode or if you want to watch it again, please visit [brightsidetv.com](http://brightsidetv.com).

---Outtakes---

**John Spigarelli** I think that we're probably – if not the oldest – one of the oldest working elevator cars in Michigan. The awkward thing about this elevator that a lot of people don't know, and it's the thing we tell every new hire, is that you cannot shut the door without being in the elevator. If you shut the door, it locks the elevator and we have to have the Otis Company come and lower the elevator to the bottom floor and open the door. It always seems like a new employee during the holiday season when we're busy will come in and shut that door because they think it needs to be closed, and everybody stands and they look at the elevator and they're like, "Really? Today? We've got a thousand packages to move out of here today."

**Brian Picarazzi** The technology available today makes it easier to increase costs, decrease... [laughs]

**Olivia Courant** [laughing] Yeah, right.

**Olivia Courant** [singing] It's cold outside!

**Scotty Bruce** And I was at a craft show this last Saturday, and literally about half a dozen people were like, "Hey, look, it's a fish that you can take home and it won't die on you!" So. Because I'm sure probably 90% of us have had that experience of getting a fish at the carnival. Two days later, it's dead.

---Credits---

**Host**

Brian Picarazzi, U.S. Small Business Administration

**Producer**

Olivia Courant, CEDAM

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Connect Michigan

Microenterprise Network of Michigan

**Music**

Tyler Vander Maas – The Bright Side Theme

Dan-O Songs – "The World at Large," "The Savoy Drift" (danosongs.com)

Josh Woodward – "Golden Sunrise," "Learn to Fly" (joshwoodward.com)

\_ghost – "Reverie (small theme)"

dydjej\_inja – "Jazzyk"

Van Syla – "Weekend"

hjcrbass – "Bossa Nova Loop"

**Small Business & Broadband**

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**Mi Farm Market**

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**St. Clair DDA**

Extra video provided by St. Clair Community Television

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